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Price of the Canadian Dollar

Many an American tourist on his first visit to Canada is dismayed to find that his American money is not worth its face value when paying Canadian prices. After the first flush of anger passes, the American may begin to wonder just what accounts for the difference in value of Canadian and American currency, and why the difference fluctuates from day to day.

The price of the Canadian dollar rose from a low of under $.90 in 1950 to $1.03 in 1954. It then fell to about $1.00 in late 1955 before rising to an all-time high of nearly $1.06 in August, 1957. For most of the rest of 1957 until the middle of 1959 the Canadian dollar fluctuated within a range of $1.02 to $1.04, breaking above that in the last half of 1959. The rate has been declining since early March, 1960, and stood at $1.02 on June 1.

What were the forces that determined these prices? Economists have a ready answer to such a question. The price of the Canadian dollar is determined, they will tell you, by the forces of supply and demand. To get a more helpful answer we must examine the factors behind supply and demand for Canadian dollars.

Though the two currencies share a common name, the Canadian dollar is as independent of the U. S. dollar as the franc or the pound. There are many reasons for

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buying Canadian dollars with American money. The tourist needs Canadian currency to pay for his purchases in Canada. The importer needs Canadian money to pay for his purchases. The investor needs Canadian money to pay for Canadian stocks, bonds, or other investments. The Canadian investor who received interest and dividends from American securities wishes to exchange his United States dollar receipts for Canadian dollars.

Just the opposite sort of transactions gives rise to the supply of Canadian dollars or (what is exactly the same thing) the demand for American dollars. Canadians who want to buy American goods or securities need American dollars and are willing to exchange Canadian money for them.

The terms at which the exchange of Canadian money for American will take place is determined by the relative strength of the various supply and demand factors. One measure of outcome of these forces is the balance of payments.

The balance of payments of a country is a systematic record of all economic transactions completed between its residents and residents of the rest of the world. The table below shows the Canadian balance of payments for 1959.

Foreign Investment

Certain items in the balance of payments indicate the strength of the supply and demand of a country's currency. The fact that the Canadian dollar commands a premium over the U. S. dollar indicates that there is relatively greater strength on the side of demand for Canadian dollars. An outstanding feature of this demand is the large volume of foreign investment in Canada. This is the item "long-term capital inflows" in the balance of payments. It was over $1 billion in 1959, and the U. S. provided most of this amount.

Since Canada is a rapidly growing country with a shortage of capital in comparison to the United States, there are many opportunities for profitable investment in Canada. The return may be high on direct investment. Interest rates are generally higher in Canada than in the United States, so an American investor can often get a higher return by buying Canadian securities. Many Canadian cities and provinces try to take advantage of the lower rates in the United States by floating bond issues in this country. They sell bonds for United States dollars but then convert the proceeds to Canadian dollars.

The total capital inflow for 1959 was particularly large, some of which was the result of special transactions and of short-term capital flows stimulated by the higher short-term interest rates in Canada. The unusually wide spread between Canadian and American Treasury bill yields in the summer of 1959 undoubtedly contributed to the capital inflow, but this spread narrowed by year-end.

While these capital inflows are desirable to Canada in financing her imports, some Canadians are disturbed about the debt servicing obligation which these investments incur. Interest, redemption of maturing securities, and repatriation of profits could be a burden on the balance of payments under some conditions.

Direct investments by Americans in Canadian enterprises also are a cause for concern by some. Though such investments do not involve fixed repayment obligations, some Canadians worry about the increasing share of their economy coming under the control or influence of American investors. Any attempt to limit this inflow would of course have repercussions on the demand for the Canadian dollar.

CANADIAN BALANCE OF PAYMENTS
(1959, in billions of Canadian dollars)

Current Account	
Merchandise	
Exports	+5.2
Imports	−5.5
Balance	− .4
Non-Merchandise Balance	−1.1
Total Current Account Balance	−1.5
Capital Account (Net)	
Direct Investment	+ .5
Transactions in Stocks and Bonds	+ .6
Total Long-Term Capital	+1.1
Short-Term Capital and Other Items	+ .4
Total Capital Account Balance	+1.5

Source: Bank of Canada.

Exports and Imports

The $5 billion of Canadian exports in 1959 also created demand for Canadian dollars, as foreign currencies were exchanged for Canadian money to pay for goods and services. Since Canadians import more than they export, this demand is more than offset by Canadian demand for foreign currencies to pay for imports. The excess of merchandise imports over exports was $400 million in 1959, and the excess of service imports was $1.1 billion.

During recent years, the Canadian balance of merchandise trade has tended to shift in a fairly predictable relation to changes in general business conditions. When the Canadian economy is expanding rapidly, imports have tended to rise more rapidly than exports and the trade deficit has increased. In times of business contraction the deficit has narrowed.

The 1957-1958 recession in Canada followed the same pattern. Throughout most of 1957 and 1958 the import balance was less than it had been a year earlier and by August, 1958, a small trade

surplus arose. Then, as recovery progressed, the deficit rose to nearly $500 million in the first eight months of 1959 as compared with less than $175 million in the same period of 1958. The last four months of 1959 showed a considerable improvement, however, despite the continued improvement in Canadian economic conditions. Export surpluses in November and December, the first since December, 1958, resulted in an export surplus of about $15 million in the last four months of 1959 compared with a deficit of nearly $100 million in 1958. The continuance of this favorable situation depends in large part on continued economic strength in the United States, the purchaser of over half of Canada's exports.

Despite the large trade deficit, the Canadian dollar was strong through 1959. The inflow of foreign capital was enough to cover the enlarged deficit.

The basic economic factors determining supply and demand for currencies are the relationships between prices, interest rates, and incomes in the two countries. The amount of goods we buy from Canada will depend in part upon the price of the Canadian goods as compared with the price of similar domestic goods. Our imports will also depend in part on our incomes — the higher our income the more goods — including imports — we tend to buy. Differences in interest rates also are important in determining the relative attractiveness of investment in Canadian or American securities or enterprises.

Temporary Influences

In addition to the role of such basic economic factors as relative incomes, prices, and interest rates in affecting exchange rates, temporary factors may often be important. The outbreak of a strike in an important industry may significantly affect imports or exports. The 1959 steel strike, for example, meant an increase in United States imports of European steel. The temporary closing of the Suez Canal in 1957 led to a substantial increase in United States oil exports.

Even random factors such as the accidental bunching of payments for imports, or even the timing of a single large payment, may be significant in the day-to-day movement of foreign exchange rates. In June, 1959, the Canadian dollar rose about 1 cent. A major influence in this movement was reported to be the offer of Ford Motor Company to purchase the shares of its Canadian subsidiary.

In addition, exchange rates are influenced not only by actual developments of the type mentioned above, but also by expectations of developments in the future. At times it appears that the most important factor determining the current rate of exchange is the anticipation of what the rate will be at some later date.

Forward Exchange

When an individual or a firm has assets or liabilities in a foreign currency, he is taking an "exchange risk." For example, an American who buys a Canadian bond expects upon maturity of the bond to exchange the Canadian dollars he receives for American dollars. He is running the risk that at the time he wishes to convert the exchange rate may be unfavorable.

As another example, suppose an American manufacturer contemplates selling some specially designed equipment to a Canadian firm for delivery in six months with payment to be made in Canadian dollars, cash on delivery. The American manufacturer must quote a price in Canadian dollars — let us say $96,000. At the current rate of exchange, this equals U. S. $100,000. If the price of the Canadian dollar should fall over the contract period to, say, U. S. $.99, the American firm would receive the equivalent of only U. S. $95,000. The exchange loss may wipe out most of the profit from the sale.

The foreign exchange market provides a means of hedging against this risk by providing importers and exporters facilities for buying and selling "forward" exchange.

An American expecting to receive 10,000 Canadian dollars in three months can sell the Canadian dollars "forward," or in advance of their receipt. At the time, he receives no money and he pays out no money; he merely promises to deliver 10,000 Canadian dollars in three months for a stated amount of American dollars. Whether the exchange rate rises or falls in the next three months is of no concern to him. The price at which he will sell his Canadian dollars for United States dollars is already determined by contract.

The ability to buy or sell forward exchange allows a firm which is not in the foreign exchange

business, and which does not want to speculate on the future exchange rate, to hedge its exchange risks. The firm can then concentrate on its real business without worrying about the future of foreign exchange rates. The forward exchange market in this way performs a function similar to "futures" trading in commodities.

The existence of a forward exchange market makes it feasible for speculators to enter the market. A speculator in foreign exchange need have no business interests involving foreign exchange. He is interested in making a profit out of fluctuations in the exchange rate.

A forward market is not necessary for speculators, but it makes speculation more practicable. Speculators in the forward market avoid immediate large outlays of funds. The bull on the Canadian dollar may buy three month forward exchange at, say, $1.04. He has no immediate outlay of dollars (unless a margin is required). He is, in essence, betting that the price will rise above $1.04. If he is right and the price rises to, say, $1.06, he can buy at $1.04 under his contract and immediately sell at a profit at the "spot" or going price.

Likewise, the "bear" can sell forward Canadian dollars and gains or losses depending on whether the spot rate in three months is below or above his contractual price.

The forward rate cannot be independent of the spot rate, though of course the forward rate is especially sensitive to speculative influences and changes in sentiment. The linkage between the spot and forward rates is not direct, but works through the relationship of interest rates in the two countries.

The theory of forward exchange holds that under normal conditions the forward discount or premium on one currency in terms of another is directly related to the difference in interest rates in the two countries. The easiest way of analyzing this mechanism is by considering what would happen if there were no such relationship.

Suppose the spot and three month forward rate for the Canadian dollar were both $1.04. Assume, in addition, that three month Treasury bills yield 3 percent in the United States and 6 percent in Canada. Americans could profit by selling United States Treasury bills, buying Canadian Treasury bills, and hedging the exchange risk by selling forward Canadian dollars. The American investor would now earn 6 percent on his investment instead of 3 percent. If many Americans try to do this there will be:

- Upward pressure on United States interest rates as United States Treasury bills are sold;
- Upward pressure on the spot price of the Canadian dollar as Canadian dollars are needed to pay for Canadian Treasury bills;
- Downward pressure on Canadian interest rates as Canadian bills are bought;
- Downward pressure on the forward price of the Canadian dollar as Canadian dollars are sold forward for United States dollars.

All of these changes are in the direction of establishing a discount in the Canadian forward exchange rate equal to the difference between Canadian and United States interest rates.

Government Policy

Although exchange rates fluctuate from day to day in response to supply and demand factors, most countries regard sizable changes in the price of their currency as undesirable. Any change in the exchange rate means a change in the relationship between the prices of foreign and domestic goods and this will affect the volume of imports and exports. In order to avoid the destabilizing effects this may have on domestic income and prices, most countries have a policy of stabilizing the value of their currency.

England, for example, allows the pound to fluctuate in terms of the dollar only between a price of $2.78 and $2.82. If the price should tend to fall below $2.78, the British authorities will sell dollars for pounds, thus tending to support the price of the pound. If the price tends to rise above $2.82, the authorities will sell pounds for dollars, tending to lower the price of the pound.

Canada, on the other hand, does not follow such a policy. Since 1950 the Canadian dollar has been a "freely fluctuating" currency with no fixed limits on its exchange rates. The Bank of Canada, acting for the Exchange Fund Account, is a factor in the market, but it acts primarily to prevent disorderly conditions from arising while at the same time allowing basic market forces to exert their influence.

The results of this policy can be seen in the chart on page 3. The Canadian dollar since 1950 has fluctuated between about $.90 and $1.06, with most of the fluctuation occurring before 1953. This is a much wider range than the British pound and, indeed, the month-to-month and year-to-year market fluctuation of the Canadian dollar has been much greater than for most other currencies, although over the postwar period the Canadian dollar has exhibited basic strength.

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New England, 1970

Housing and Urban Renewal

If the decade of the 1960's is to be one of notable urban renewal in New England, the pace will have to be quickened.

Here's the score sheet for New England on the federal urban renewal program, now more than 10 years old: New England has some $139 million authorized in federal grants. It has applied for an additional $39 million, not yet authorized. Three projects involving federal expenditures of $1.6 million have been completed.

Local contributions toward renewal projects generally average 95 percent of the federal contribution. This means that all of the region's urban renewal projects — applied for, authorized, and completed — probably involve close to $350 million in total expenditures.

When the federal urban renewal program was launched 10 years ago, the Census of Housing estimated that there were some 725,000 substandard units in New England. Studies have estimated that generally two-thirds of substandard housing cannot be rehabilitated. If this is the case, more than 500,000 of the substandard units would have to be demolished if all substandard housing were to be eliminated.

Renewal Costs

The costs for such a renewal effort are staggering. Based on a study of current New England projects, the per unit costs can be estimated at $9,742, making the total estimated cost $4.8 billion. That's a sizable sum compared to the $139 million of federal expenditures now authorized for New England urban renewal.

Generally in urban renewal, for every four substandard units torn down at least one standard unit has to go under the bulldozer. However, this additional cost is about offset by the land resale value which results from the project.

If past relationships hold true in the future, $3.2 billion of New England's urban renewal costs will have to be supplied by the federal government and $1.6 billion by local contribution. The average annual local outlay of some $160 million is about what people in the larger cities of New England now pay for police protection.

The federal outlay required for this kind of New England program is about equal to the total U. S. expenditure on this program for a year. It is clear that elimination of all substandard units in New England in 10 years is not realistic with the current level of federal expenditure.

A more realistic objective might be a 20-year program, but achievement of the goal within even this period would still require a larger allocation of federal money than at present. Local costs for a 20-year program would run to about $7.50 per capita.

To an indeterminate extent the costs of urban renewal are self-liquidating because of the reduction in community costs associated with high density slums. Urban renewal reduces the costs of fire, police, inspectorial service, and health costs. These benefits, however, can be easily overestimated. For one thing, if redevelopment merely moves families around in the city without improving their living standards, the costs of slums to the community will remain.

New England Projects

The federal urban renewal program is designed to salvage the American city by arresting its physical decay and making the city again a vital economic and social unit. The program is of particular importance to New England, the oldest industrial area of the country.

New England has 97 projects in various stages of completion. In some respects the states of the region are getting a nice share of the total federal grants for the nation. But New England could be expected to get a more than proportionate share because of its age and its urbanization. The regional population per square mile, for instance, is 157, compared to 58 for the nation.

New England has 5.8 percent of the nation's population but 9.6 percent of the dollar amount of federal urban renewal grants. The region has a greater share of the nation's urban population than it has of total population. The region's urban population was 7.4 percent of the nation's urban population in the 1950 Census.

Connecticut, Massachusetts, and Rhode Island have greater shares of urban renewal authorizations than their shares of population would indi-

HOUSING PROGRAMS

	Full Program		Minimum Program		Current Construction
	Additional Units 1950-70	Average per year 1950-70	Additional Units 1950-70	Average per year 1950-70	Average per year 1954-58
New England	**1,972,193**	**98,608**	**1,522,401**	**76,119**	**43,907**
Maine	220,590	11,029	177,072	8,854	1,286
New Hampshire	119,460	5,973	98,717	4,936	1,751
Vermont	74,280	3,714	57,011	2,850	333
Massachusetts	827,444	41,372	617,449	30,872	21,004
Rhode Island	173,270	8,663	132,964	6,648	3,028
Connecticut	557,149	27,857	439,188	21,959	16,505

cate. Connecticut has over 3½ times as great a proportion of urban renewal authorizations as it has proportion of population. It is the leading state by this measure, although the District of Columbia is higher.

Connecticut is one of the few states where urban renewal has been launched in smaller cities. For the most part the program is limited to larger areas because of the skills required for the program and the relatively greater burden of financing on smaller communities. Smaller units of government have undertaken the program in Connecticut, where the floods of 1954-55 increased the need and led to relaxation of regulations for federal contributions. An additional stimulus is the state government's program of sharing the costs of local redevelopment. Connecticut communities were also encouraged by the success of the New Haven project.

Some 250 New England cities and towns of over 5,000 population have not as yet taken the first step in developing a program. Included in this group are communities in which there are extensive concentrations of substandard housing.

Housing Needs

Urban renewal expenditures of $4.8 billion would eliminate all substandard housing by 1970, but such a program does not allow for other improvements in housing. To reduce densities in households, to replace housing lost through fire and public takings, and to allow a vacancy ratio permitting freedom of movement within the market would all require additional units.

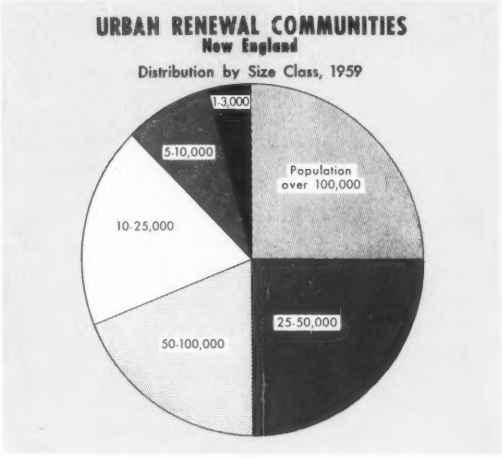
The table on page 5 shows two programs of housing construction to 1970. All substandard units would be eliminated under both programs.

The minimum program calls for a density of 3.1 persons per dwelling unit, the same as at present. The vacancy ratio under this program is 3 percent, slightly higher than at present. This program would provide homes to meet family formation needs and to care for families displaced from clearance activities.

The full program would lower densities to 2.8 persons per unit and allow a vacancy ratio of 5 percent. This housing goal would insure a home for every family and create a housing supply that would tend to force marginal and substandard units out of the market.

The minimum plan calls for construction of 76,000 units annually and the full program for almost 100,000 units annually. The present rate of construction is only about 50,000 units per year. The volume of home building would have to be increased 50 percent to 100 percent to meet all the needs of New England.

The greatest rate of increase over current construction would be required for the northern



states. Vermont would need more than eight times its current annual construction to meet even the minimum program.

The distribution of substandard housing among the various states does not conform with population distribution. Massachusetts and Connecticut, the most highly populated states, have substantially smaller shares of substandard housing than they have of population. Maine, New Hampshire, Vermont, and Rhode Island have shares of substandard housing that exceed their shares of population.

Two influences largely account for this disparity. In the northern New England states, farm abandonment has resulted in dilapidated housing in rural areas. The second influence is income. Connecticut and Massachusetts, the two New England states with the highest income, have the lowest rate of substandard housing.

The three southern states are closest to reaching the minimum goal at this time. In the northern states over 50 percent of the projected need for new housing is due to rehousing needs because of needed demolition. Demolition of substandard units represents one-third of the housing need in Massachusetts and one-sixth in Connecticut.

The key to the successful accomplishment of slum clearance and the elimination of substandard housing is the provision of adequate substitute housing. This is the objective of the renewal program, and it cannot be accomplished without a greatly stimulated construction industry.

This is one of a series of articles based on projections of the New England Economy to 1970 by the Federal Reserve Bank of Boston. The projections are presented in the bank's annual report, available on request. The projections in this article are based on a study by Joseph F. Turley, Director of Boston College Seminar Research Bureau, conducted with the aid of a research grant from this bank. Copies of the study, *Goals in Urban Renewal for New England*, are available free of charge.

Trust Department Income Rises in 1959

In New England, trust business is centered principally in the national banks and the trust banks. They administer estates and personal trusts, give counsel on investments and maintain custody of securities. They serve as trustee on bond issues, act as transfer agent or registrar for securities, pay dividends and interest, handle subscription rights and redemptions, and manage the investment of pension funds.

Banks also provide investment and security services for nonprofit organizations such as welfare, educational, and religious institutions. There are private individuals — attorneys and other qualified people — who handle a small proportion of trust property.

The Boston Federal Reserve Bank has conducted annual surveys of trust department income and expenses since 1947. About 60 banks have generally responded in the survey and their aggregate trust income accounts for approximately 80 percent of total estimated trust income of commercial banks in New England.

Net earnings rose during 1959 in New England trust departments. Both income and expenses increased, but income showed a higher rate of growth. Total income rose 9 percent from 1958, compared to the increase of 8 percent the previous year. Expenses were up 6 percent from 1958, and compared with a 7 percent increase reported for 1958.

Forty of the 55 participating banks in the survey reported profitable trust department operations during the year. Two unprofitable trust departments each had income in excess of $200 thousand. The net loss experienced by some banks was due primarily to the volatile nature of estate income, which dropped 10 percent in total from 1958. This decline was reported by many profitable departments as well. The loss of one large estate can seriously affect the income of a smaller bank.

Personnel costs in trust departments are relatively inflexible, and consequently high volume banks obtain a greater return on their expense dollar. The very nature of trust business precludes easy adjusting of expenses to meet income. Trust work requires a staff of research and investment specialists, attorneys, and other professional and technically trained personnel either on a permanent or consulting basis. However, salary and wages have declined from 73 percent of total expenses in 1947 to 56 percent in 1959. This decline in the ratio of personnel to total expenses in trust departments contrasts with the stable trend of the ratio for the total of all departments in commercial banks, as shown in the following tabulation:

Ratio of salaries and wages to total expenses

	1947	*1949*	*1951*	*1953*	*1955*	*1957*	*1959*
Trust Dept.	73	70	69	69	65	57	56
Total Bank	46	49	50	48	48	46	46

Salaries and wages for all reporting trust departments increased 5 percent during 1959 as compared to 8 percent for all other expenses.

This decline in the salary and wage rate was effected largely through normal clerical employee losses without replacement. The replacement of higher salary trust officers due to retirement has caused a declining rate of increase in salary expenses in several trust departments. However, trust departments are competing with industry for future college graduates to fill executive positions at the junior officer level.

Expenses of New England trust departments prior to 1954 averaged from 80 to 90 percent of trust income. A sharp rise in income in 1955, due to revisions in fee schedules, reduced expenses to about 75 percent of earnings. Since 1955, the trust expense ratio has averaged higher than the ratio of total operating expenses to total operating earnings of commercial banks in New England. Although cost control is important to potential profit, the high volume departments with the larger income-expense ratio consistently report profitable operations each year.

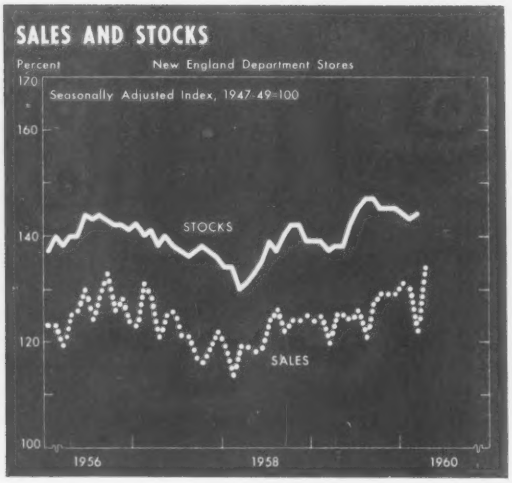
TRUST DEPARTMENT INCOME AND EXPENSE

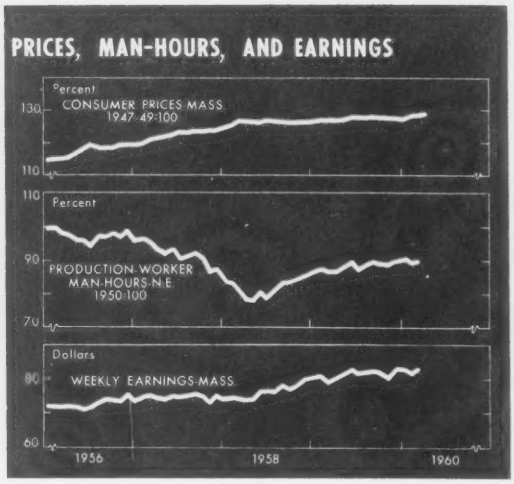
Surveyed New England Banks, 1959

(Amounts in thousands of dollars)

	12 banks with trust income exceeding $500,000 in 1959		33 banks with trust income from $20,000 to $500,000	
	1959	Percent Change From 1958	1959	Percent Change From 1958
Income				
Commissions and fees from:				
Estates	$ 3,226	−10.9	$ 910	+ 0.9
Personal trusts	13,970	+ 6.9	2,015	+13.3
Pension trusts	1,014	+33.2	182	+28.2
Personal agencies	6,567	+10.8	648	+ 7.3
Corporate trusts	523	−22.1	23	+43.8
Corporate agencies	5,335	+13.3	139	+12.1
Total	**$30,635**	**+ 6.5**	**$3,917**	**+ 9.8**
Expenses				
Salaries and wages	$11,047	+ 5.8	$1,155	− 4.2
Officers	*3,867*	*+ 7.1*	*636*	*− 4.5*
Other employees	*7,180*	*+ 5.1*	*519*	*− 3.7*
Other direct expense	5,342	+12.1	592	− 4.7
Overhead	3,478	+ 4.7	271	− 8.1
Total	**$19,867**	**+ 7.2**	**$2,018**	**− 4.9**

Note: A detailed report of the information obtained from the 1959 survey is available on request from the research department of the Federal Reserve Bank of Boston. Detailed tables for 1947 through 1958 are available in limited quantities.





MANUFACTURING INDEXES (seasonally adjusted)	MASSACHUSETTS (1950–52 = 100)			NEW ENGLAND (1950–52 = 100)			UNITED STATES (1957 = 100)		
	Apr. '60	Mar. '60	Apr. '59	Apr. '60	Mar. '60	Apr. '59	Apr. '60	Mar. '60	Apr. '59
All Manufacturing	114	117	110	117	118	115	109	109r	107
Primary Metals	98	102	100	88	98	101	100	106r	114
Textiles	47	48	50	70	68	72	n.a.	110	114
Shoes and Leather	118	101	117	117	109	122	n.a.	n.a.	107
Paper	108	109	107	129	127	124	n.a.	111	112

	NEW ENGLAND	Percent Change from:		UNITED STATES	Percent Change from:	
	Apr. '60	Mar. '60	Apr. '59	Apr. '60	Mar. '60	Apr. '59
BANKING AND CREDIT						
Commercial and Industrial Loans ($ millions) (Weekly Reporting Member Banks)	1,407	+ 2	s.r.	30,947	+ 1	s.r.
Deposits ($ millions) (Weekly Reporting Member Banks)	4,317	+ 1	− 2	106,007	0	s.r.
Check Payments ($ millions) (Selected Cities)	8,755	− 6	0	226,007	− 8	0
Consumer Installment Credit Outstanding (index, 1950–52 = 100)	241.0	+ 2	+13	270.9	+ 2	+17
TRADE						
Department Store Sales (index, seas. adj. 1947–49 = 100)	134	+10	+ 7	151e	+ 8	+ 7
Department Store Stocks (index, seas. adj. 1947–49 = 100)	141	− 2	+ 2	159	− 2	+ 5
EMPLOYMENT, PRICES, MAN-HOURS, & EARNINGS						
Nonagricultural Employment (thousands)	3,602	+ 1	+ 3	52,992	+ 1	+ 3
Insured Unemployment (thousands) (excl. R. R. and temporary programs)	163	− 5	+ 3	1,997	−13	+ 8
Consumer Prices (index, 1947–49 = 100)	128.6 (Mass.)	+ 1	+ 2	126.2	0	+ 2
Production-Worker Man-Hours (index, 1950 = 100)	85.9	− 4	− 1	97.3	− 2	− 1
Weekly Earnings in Manufacturing ($)	81.35 (Mass.)	− 2	+ 2	89.83	− 1	0
OTHER INDICATORS						
Construction Contract Awards ($ thous.) (3-mos. moving averages Feb., Mar., Apr.)						
Total	128,721	+18	−24	2,881,887	+16	− 8
Residential	53,586	+21	−10	1,253,571	+17	−15
Public Works	18,820	+34	−57	544,377	+23	+ 7
Electrical Energy Production (index, seas. adj. 1947–49 = 100)*	213	− 2	+ 9	269	− 3	+ 7
Business Failures (number)	62	− 3	−14	1,370	+ 3	+ 6
New Business Incorporations (number)	935	+ 1	− 7	15,446	−11	−12

*Figure for last week of month

n.a. = not available
e = estimate
s.r. = series revised
r = revised